and in less than a week after his appointment he had secured the agreement of the Admiralty to a programme for constructing a number of *A shipbuilding* tramp steamers of about 8,000 tons each, *P.S.* and came to the War Cabinet with a request for their authority to embark upon the scheme. This permission was immediately given, and at the same meeting (15th December, 1916) he was authorised to go ahead with a scheme he had prepared for purchasing some 77,500 tons of shipping from Japan. A week later, on 22nd December, 1916, the First Sea Lord reported that, according to information received that morning, the rate of output of merchant shipping for next year did not exceed 400,000 tons during the first six months, as compared with submarine losses amounting to about 300,000 tons a month.

The Shipping Controller, however, reported that he had information to the effect that, provided the necessary labour and material were available, an output of 1,000,000 tons deadweight capacity might be expected *during the first six months of next year (1917).*

This included a large order given to the U.S.A. When the Americans came into the War all ships in course of construction in their yards were seized for their own use. The ships ordered by the Controller in American yards therefore were not added to our dwindling mercantile fleet. Nevertheless they diminished the sum total of Allied deficiency.

The new Ministry of Shipping took over from the Board of Trade the task of keeping watch on the construction of merchant shipbuilding, embarking in addition upon a programme of direct Government shipbuilding for the standard pattern of ships projected by the new Controller.